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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

PAID UP OIL AND GAS LEASE

(No Surface Use)

day of October

THIS LEASE AGREEMENT is made this	15 day	of UC	taker	2009, by and between
Andrea Reckman a Single person	JO Gay	٥١ <u> </u>	· OPOI	2000, by and between
Transfer December of Strate Person	7	16.00		
whose addresss is 19 Care Care Ha how and DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue	Suite 1870 Dallas Tayas	75201 25 1 655	see. All printed portions of this le	as Lessor,
hereinabove named as Lessee, but all other provisions (including	the completion of blank spa	ces) were prepar	red jointly by Lessor and Lessee.	
1. In consideration of a cash bonus in hand paid and the	ne covenants herein contair	ned, Lessor here	∍by grants, leases and lets excl	usively to Lessee the following
described land, hereinafter called leased premises:				1 . 1,
ACRES OF LAND, MORE OR L	ESS BEING LOT	tt book 8 is	to South 4 test at	Lat 4 OUT OF
THE, R.D. LUCUS	LOO, DENIO LOTO	2) 2 WILL !!	AN ADDITION TO	THE CITY OF
	T COLINITY TEVA	· ACCOP	DING TO THAT CERTA	
IN VOLUME, PAGE, PAGE	01 OF THE F	LATRECC	ORDS OF TARRANT C	DUNIT, IEAAS,
in the County of TARRANT, State of TEXAS, containing	13	oran mara ar la	ess (including any interests there	in which I appear may be reafter
acquire by reversion, prescription or otherwise), for the purpos				
hydrocarbon substances produced in association therewith (incli	uding geophysical/seismic o	perations). The	term "gas" as used herein include	des helium, carbon dioxide and
other commercial gases, as well as hydrocarbon gases. In addit				
of land now or hereafter owned by Lessor which are contiguous or Lessor agrees to execute at Lessee's request any additional or si				
of determining the amount of any shut-in royalties hereunder, the				
			Five E	
This lease, which is a "paid-up" lease requiring no renta				ers from the date hereof, and for
as long thereafter as oil or gas or other substances covered here	by are produced in paying q	uantities from the	e leased premises or from lands	pooled therewith or this lease is
otherwise maintained in effect pursuant to the provisions hereof. 3. Royalties on oil, gas and other substances produced a	nd saved bereunder shall be	e paid by Lessee	e to Lessor as follows: (a) For o	il and other liquid hydrocarbons
separated at Lessee's separator facilities, the royalty shall be		(17)	11 1	delivered at Lessee's option to
Lessor at the wellhead or to Lessor's credit at the oil purchaser's	transportation facilities, pro	vided that Lesse		
the wellhead market price then prevailing in the same field (or				
prevailing price) for production of similar grade and gravity;				
			ale thereof, less a proportionate	
production, severance, or other excise taxes and the costs incu Lessee shall have the continuing right to purchase such producti	on at the prevailing wellhead	processing or of the processing of the processin	aid for production of similar qualit	v in the same field (or if there is
no such price then prevailing in the same field, then in the neare	est field in which there is suc	ch a prevailing pr	rice) pursuant to comparable pur	chase contracts entered into on
the same or nearest preceding date as the date on which Lesser				
more wells on the leased premises or lands pooled therewith are are waiting on hydraulic fracture stimulation, but such well or well	e capable of either producing	tion there from	is not being sold by Lessee, such	well or wells shall nevertheless
be deemed to be producing in paying quantities for the purpose	of maintaining this lease. It	for a period of	90 consecutive days such well or	r wells are shut-in or production
there from is not being sold by Lessee, then Lessee shall pay	shut-in royalty of one dollar	per acre then c	overed by this lease, such paym	ent to be made to Lessor or to
Lessor's credit in the depository designated below, on or before while the well or wells are shut-in or production there from is not				
is being sold by Lessee from another well or wells on the lease	d premises or lands pooled	therewith, no sh	ut-in royalty shall be due until the	e end of the 90-day period next
following cessation of such operations or production. Lessee's	failure to properly pay shut-	in royalty shall re	ender Lessee liable for the amou	int due, but shall not operate to
terminate this lease. 4. All shut-in royalty payments under this lease shall be payments.	aid or tandered to Lessor or	to Lessor's cred	tit in at lesser's address above	or its successors which shall
be Lessor's depository agent for receiving payments regardless of				
draft and such payments or tenders to Lessor or to the deposito	ry by deposit in the US Mail	s in a stamped e	envelope addressed to the depos	sitory or to the Lessor at the last
address known to Lessee shall constitute proper payment. If the payment hereunder, Lessor shall, at Lessee's request, deliver to	depository should liquidate	or be succeede	d by another institution, or for an	y reason fail or refuse to accept
5. Except as provided for in Paragraph 3. above, if Lessee	e drills a well which is incapa	able of producing	in paving quantities (hereinafter	called "dry hole") on the leased
premises or lands pooled therewith, or if all production (whether	er or not in paying quantitie	s) permanently	ceases from any cause, including	ng a revision of unit boundaries
pursuant to the provisions of Paragraph 6 or the action of an nevertheless remain in force if Lessee commences operations for	y governmental authority, t	hen in the even	it this lease is not otherwise be	ing maintained in force it shall
on the leased premises or lands pooled therewith within 90 days	after completion of operation	ns on such dry h	hole or within 90 days after such	cessation of all production. If at
the end of the primary term, or at any time thereafter, this leas	e is not otherwise being ma	aintained in force	e but Lessee is then engaged in	drilling, reworking or any other
operations reasonably calculated to obtain or restore production	therefrom, this lease shall re	main in force so	long as any one or more of such	operations are prosecuted with
no cessation of more than 90 consecutive days, and if any sucl there is production in paying quantities from the leased premise	n operations result in the pro	After completic	n of a well capable of producing	in paving quantities hereunder.
Lessee shall drill such additional wells on the leased premises or	lands pooled therewith as a	reasonably prud	dent operator would drill under the	e same or similar circumstances
to (a) develop the leased premises as to formations then capat	ole of producing in paying q	uantities on the	leased premises or lands pooled	therewith, or (b) to protect the
leased premises from uncompensated drainage by any well or vadditional wells except as expressly provided herein.	vells located on other lands i	not pooled there	with. There shall be no covenan	t to drill exploratory wells of any
Lessee shall have the right but not the obligation to po	ol all or any part of the leas	ed premises or i	interest therein with any other lan	nds or interests, as to any or all
depths or zones, and as to any or all substances covered by the	his lease, either before or a	fter the commen	ncement of production, whenever	Lessee deems it necessary or
proper to do so in order to prudently develop or operate the leas unit formed by such pooling for an oil well which is not a horizor	ed premises, whether or not	similar pooling a	authority exists with respect to su	of 10% and for a das well or a
horizontal completion shall not exceed 640 acres plus a maximul	m acreage tolerance of 10%	provided that a	larger unit may be formed for an	oil well or gas well or horizontal
completion to conform to any well spacing or density pattern that	t may be prescribed or perm	itted by any gov	ernmental authority having jurisdi	iction to do so. For the purpose
of the foregoing, the terms "oil well" and "gas well" shall have the prescribed, "oil well" means a well with an initial gas-oil ratio of le	ne meanings prescribed by a	applicable law or	r the appropriate governmental a	utnority, or, if no definition is so
feet or more per barrel, based on 24-hour production test co	nducted under normal prod	ucing conditions	s using standard lease separato	r facilities or equivalent testing
equipment; and the term "horizontal completion" means an oil	well in which the horizont	al component of	f the gross completion interval in	n facilities or equivalent testing
equipment; and the term "horizontal completion" means an oil v	well in which the horizontal	component of th	ie gross completion interval in th	e reservoir exceeds the vertical
component thereof. In exercising its pooling rights hereunder, Production, drilling or reworking operations anywhere on a uni	Lessee snan me of record a t which includes all or any	part of the lease	ed premises shall be treated as	if it were production, drilling or
reworking operations on the leased premises, except that the pr	oduction on which Lessor's	royalty is calcula	ated shall be that proportion of the	e total unit production which the
net acreage covered by this lease and included in the unit bea	rs to the total gross acreage	e in the unit, but	it only to the extent such proporti	ion of unit production is sold by
Lessee. Pooling in one or more instances shall not exhaust Les unit formed hereunder by expansion or contraction or both, eith	ssee's pooling rights hereund her before or after comment	uer, and Lessee cement of produ	snan have the recurring right but action, in order to conform to the	well spacing or density pattern
prescribed or permitted by the governmental authority having ju	risdiction, or to conform to	any productive a	acreage determination made by s	such governmental authority. In
making such a revision, Lessee shall file of record a written dec	laration describing the revise	ed unit and statir	ng the effective date of revision.	To the extent any portion of the
leased premises is included in or excluded from the unit by virtu	e or such revision, the propo	ortion of unit prod	auction on which royalties are pa	yable nereunder shall thereafter

be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part. of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

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- 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days ownership snall never the effect of reducing the rights or entarging the congators of tessee interestings, and no large in ownership and in tessee after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or persons are enutied to snot-in royalities interested in the sessee may pay or tender social snot-in royalities in social in the depository, enter jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferred to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. It Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalities hereunder shall be relieved of all obligations thereafter arising with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. It Lessee transfers a full or undivided interest in all or any portion of the net accordance interest in this lease then held by each.

 9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of
- the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.
- in accordance with the net acreage interest retained hereunder.

 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport producction. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease, and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other jands used by lessee hereunder; without lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements.
- writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not be liable for breach of any express or implied covenants of this lease, endinging, production or other operations are so prevented, delayed or interrupted.

 12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with
- expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.
- 13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.
- time after said judicial determination to remedy the breach or default and Lessee fails to do so.

 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

 16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.
- operations.

 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

 DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on mard conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which lessor has or many production. which Lessee has or may negotiate with any other lessors/oil and gas owners

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor

LESSOR (WHETHER ONE OR MORE)

By: Andrea Beckman	Ву:
STATE OF TRACTORY COUNTY OF TRACTORY This instrument was acknowledged before me on the by: JULIO MUNOZ LOPEZ Notary Public, State of Texas My Commission Expires Jonuary 29, 2012	Notary Phiblic, State of Notary shame (printed): Notary's commission expired
STATE OF COUNTY OF This instrument was acknowledged before me on the day of by:	, 2009,

Notary's name (printed) Notary's commission expires:

SUZANNE HENDERSON

COUNTY CLERK



100 West Weatherford Fort Worth, TX 76196-0401

PHONE (817) 884-1195

DALE RESOURCES 3000 ALTA MESA BLVD STE 300 **FT WORTH, TX 76133**

Submitter: DALE RESOURCES LLC

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration:

10/20/2009 8:12 AM

Instrument #:

D209277941

LSE

PGS

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\$20.00

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D209277941

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Prepared by: VMMASSINGILL